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ECONOMICAL ASPECTS OF PACKING OPERATIONS IN THE  
DIST. OF PETROLEUM PRODUCTS IN POLAND

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Consumers of petroleum products customarily show concern about receiving the necessary quantities of products they need for carrying out their current plans, without showing much interest in the problem of packing containers, even though without the latter the petroleum products could not be taken out of the production enterprise, the storage unit, or the warehouse. The assumption is made that the most important problem is to have a sufficient quantity of products in the storage unit or the wholesale warehouse for distribution among the consumers. On the other hand, the packing containers required for such distribution are generally regarded as a minor matter, which should not present the slightest difficulties.

Such an assumption is of course erroneous. Consumers of petroleum products should be educated to the fact that packing containers should be given much more careful attention that they have received until now. This must be done not only because of the scarcity of some of the materials used in manufacturing them, but also from the point of view of the principles of a socialist economy. It must be remembered that if the economic management of packing containers continues to be neglected within the individual enterprises, a situation may arise where it will be difficult to supply the consumers with petroleum products, even if the storage units or the wholesale warehouses have adequate supplies of these products.

The first principle to be applied is that all packing containers must be preserved as carefully as possible, prolonging their usefulness to the maximum. This principle is not only in accord with general economic principles, but is also in the best interests of all those who deal with petroleum products. All packing containers in general, and those belonging to the petroleum industry in particular, should be managed economically and rationally.

But the above steps lead to the economical management of packing containers:

1. the full and appropriate utilization of all packing containers;
2. refraining from maintaining a larger stock of full and empty packing containers than is necessary;
3. accelerating the circulation of packing containers;
4. shortening the routes for full and empty packing containers;
5. saving the costs of frequent cleaning of the packing containers; this can be achieved by designating them for constant grades of products, and by keeping them clean.

Rational principles of management dictate the following:

1. the application of suitable containers for suitable products;

2. maintaining the packing containers in as clean a condition as possible;

3. obligatory inspection of packing containers prior to filling them, regardless of their degree of cleanliness;

4. special cleaning and preparation of packing containers which are to be used for high-grade products.

Packing containers can be managed economically by the following:

1. surrounding the packing containers with the greatest care for their condition,

2. prolonging the usefulness of the packing containers to a maximum and reusing them as many times as possible.

3. maintaining continuous and proper procedures for preserving the packing containers,

4. carrying out current repairs of packing containers wherever applicable,

5. securing proper storage space for full and empty packing containers, shielding them from atmospheric conditions and from the effects of corrosion.

The brief presentation of the main operations required for the proper management of packing containers shows that this is not a simple, minor, or easy matter. It constitutes an important factor in the rational management of fuels and lubricants, and must be appreciated as such by everyone concerned.

Although packing containers are only auxiliary means which facilitate the proper distribution of petroleum products, they constitute valuable public property under the socialist system. The problem of packing containers is treated lightly under the capitalist system, but under socialism they have and should have serious economic importance. This is proven by the fact that the problem of managing packing containers is governed in Poland by regulations contained in a decree of the Economic Committee of the Council of Ministers and by separate regulations of each resort. In the Soviet Union, an entire textbook has been devoted to this matter, *... Niebezpieczne Dzielu* [Petroleum Affairs]. Current observations indicate that the management of packing containers is not placed at a suitable level at all economic units of the petroleum branch. Those responsible for the conditions in this area do not generally take an interest in this problem, and the burden is passed on to the bookkeeping department, which has to account for the relevant items. The management of the enterprise or plant and the supervisory staff of the stock rooms begins to show interest in these problems only in the immediate situation, if it happens that the central agency of the given branch imposes a fine for failure to return borrowed packing containers on time. It therefore appears highly desirable to educate all stockroom workers in the principles of proper management of all types of packing containers. It is worth mentioning in this specialized periodical, some of the main principles of managing packing containers used in the petroleum branch.

The regulations have been included in the 2 June 1953, Decree No 243 by the Minister of Mining, published in the *Monitor Polski* [Polish Monitor], A-S1, paragraph 980. Although as a result of the reorganization of the

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mining resort, the petroleum branch has recently come under the jurisdiction of the resort of the Central Administration for Petroleum, the latter has obtained the regulations of the above-mentioned decree. These regulations therefore apply to all deliveries of petroleum products carried out by units subject to the Central Administration for Petroleum.

Packing containers used in the petroleum branch may be divided into three main groups:

Group I: Packing containers which are durable in nature, and suitable for circulation over a period of several years. These constitute the indisputable property of the supplier, and may only be lent to the consumer in case of need under conditions specified in Decree No 243 of the Ministry of Mining. They are therefore designated in the decree as loaned packing containers. These containers should carry permanent visible marks or symbols (e. g., CPN), or the exact name of the enterprise which owns them. The Decree requires even that in addition to the name, the address of the supplier should also be marked. In addition, the serial number of the container, its weight (tare), and if possible the name of the product for which it is designated should all be marked.

The owner of these packing containers has the obligation of keeping exact accounts of the movement of these containers. These accounts should be kept not only by the bookkeeping department, but also primarily by the stockroom or by the division which is responsible for managing the containers. The consumer who uses the loaned packing containers should keep similar accounts. In the petroleum branch, packing containers belonging to the Group I category include the following:

1. Steel metal and iron barrels with capacities of 200 liters or more;
2. Steel glass: for liquid gas;
3. Woven bags for paraffin.

Group II: Packing containers which are suitable for repeated use, but not as durable as the containers belonging to Group I. The sale of these containers is permitted, and they are therefore designated as salable containers in Decree No 243 of the Minister of Mining. In the petroleum branch, this group includes the following:

1. Barrels impregnated with grease and made of soft wood;
2. Glass ampoules in wicker baskets.

Packing containers of this group are often designated as factory packings, since in principle the production plant must acquire them in order to be able to ship the solid product at the recommendation of the trade union. In order to increase the number of times each container is reused, the decree makes it obligatory for the supplier to buy them back from the consumers. Only containers which have not been damaged, are clean both inside and outside, are devoid of deliveries of petroleum products, and are suitable for reuse without requiring treatment, repair or cleaning are subject to such repurchasing, however.

Repair centers dealing with these types of containers have the obligation of providing damaged containers or their parts. Badly damaged

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containers or parts which are worn out should be given to scrap collecting enterprises. Consumers of products which come in salable containers should organize their management of the containers in such a way as to return the greatest part to the supplier. They should protect them from premature wear, and try to increase as much as possible the number of times they are reused. They must remember that only natural wear is, in principle, a proper basis for withdrawing an item from circulation and designating it for scrap.

Group III. Packing containers made for single use, and made of materials suitable for this purpose. These containers are usually supplied by the supplier, along with the product. The supplier is not obligated to buy them back, except in those cases where he is interested in collecting such used containers. He must then supply the consumer with directions concerning the return of the packing containers, and the purchasing conditions.

These packing containers are often designated as salable unreturnable containers on the basis of their nature.

These packing containers are not covered by specific regulations. The above Decree of the Minister of Mining therefore does not apply to them. The management of containers belonging to this group follows the general regulations applying to the circulation of goods. In the petroleum branch, this group mainly includes the following:

1. metal drums for asphalts, and for asphalt and asphalt plastic used for road covers;
2. various types of cans;
3. sheetmetal and cardboard boxes;
4. glass and cardboard flasks "butelki";
5. various types of wooden boxes;
6. different types of paper bags.

Thus, since these packing containers are not covered by specific instructions, it must be remembered that because of their lower worth they can be destroyed or thrown out. Considerations of well understood socialist management dictate the following principles in dealing with these types of containers:

If the supplier does not buy back certain types of containers, undamaged items which are suitable for reuse should be turned over to the proper management which is responsible for the distribution of these types of containers, namely:

for wooden containers -- the Central Trades Agency of the Lumber Industry, in Warsaw, provided the containers do not fall under the regulations of the applicable MHW decree requiring that they be turned over to the authorized repair bases;

for metal containers -- the Central Trades Agency of the Paper and Office Supply Industry, in Lodz;

for linen and cotton containers -- the Central Textiles Agency, in Lodz.

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If the above agencies do not have use for the given containers, then the latter should be turned over to the specialized repair bases which purchase and renovate them. This also concerns damaged containers or their parts which can be repaired. Worn or badly damaged containers or parts should be turned over to scrap collecting agencies.

The above is a brief general statement of the principles of managing packing containers in the petroleum branch. Comments concerning the detailed principles of handling specific types of containers of each group will be given in a succeeding article.

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